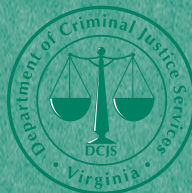


Private Security Services Annual Report

July 1, 2003–June 30, 2004



*Virginia Department of Criminal Justice Services
Private Security Services Section
P.O. Box 10110, Richmond, Virginia 23240-9998
www.dcjs.virginia.gov*

*The Virginia Department of Criminal Justice Services
provides comprehensive planning and state of the art technical
and support services for the criminal justice system to
improve and promote public safety in the Commonwealth.*

The Department of Criminal Justice Services (DCJS) is one of 12 agencies within the Secretariat of Public Safety. The Criminal Justice Services Board is the Department's policy board, with representation from all aspects of the criminal justice system on both state and local levels of government. The Private Security Services Advisory Board is appointed by the Criminal Justice Services Board (CJSB) and advises the CJSB on all issues relating to regulation of private security services businesses. One member of the Private Security Services Advisory Board is appointed by the Governor to serve on the Criminal Justice Services Board.

The Private Security Services Section is responsible for processing applications for registration, certification and licensure; ensuring that each individual, and/or business/training school meets the Code and Regulation requirements; and is involved in the actual issuance of the respective authorization. Private Security Services has the responsibility of ensuring that individuals providing these services meet minimum training requirements and undergo a state and national criminal history records search. The Section also receives complaints, investigates and adjudicates cases, as well as provides initial and in-service training for segments of the industry.

As of January 1, 2004, the *Special Conservators of the Peace* program is also regulated and administered within the Private Security Services Section. Effective September 15, 2004, no person shall seek appointment as a Special Conservator of the Peace from a circuit court judge without possessing a valid registration issued by DCJS.

We provide a variety of on-line services in an attempt to make the registration and training process more convenient and efficient for all those involved in Private Security. Our on-line information system called *Watson* is accessible through our department's web site and offers a wide range of services. Applicants can update their contact information, submit applications, apply for training and check on pending applications. Payments for various applications can be submitted by credit card for quicker processing. Training schools can also utilize our on-line electronic roster submittal processing system, *Osprey*, which allows schools to submit training documentation for individual registrants. This on-line system provides for the fastest and most efficient issuance of credentials.

Another user-friendly option includes accessing our Status Hotline to get up-to-date information regarding pending applications and training. By calling the hotline, individuals can find out everything from expiration dates to reasons the application may be pending. The hotline is available 24 hours a day and is updated daily. The Richmond area may call 804-786-1132; outside of the Richmond area may dial toll-free 1-877-9STATUS.

This Annual Report summarizes the Private Security Services Section's activity during Fiscal Year 2004. We hope that you find it informative.

TIME PERIOD STATISTICS					
Time Period Statistics	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Total Applications Received	57,521	48,895	41,208	36,622	35,764
Applications on Line	3,824	2,115	1,458	513	0
Issued Applications	49,110 (85.4%)	43,520 (89.0%)	37,577 (91.1%)	33,471 (91.3%)	32,753 (91.5%)
Denied	416 (.7%)	379 (0.7%)	246 (.5%)	355 (.9%)	1,182 (3.3%)
Other (canceled/terminated)	2,972 (5.2%)	2,835 (5.7%)	626 (1.5%)	472 (1.2%)	181 (0.5%)
In Process	5,023 (8.7%)	2,161 (4.4%)	2,759 (6.6%)	2,324 (6.3%)	1,648 (4.6%)

LICENSING APPLICATIONS									
	2003-2004		2002-2003		2001-2002		2000-2001		
Licensing Applications	Section	Number Received	Avg. Days until Issued	Number Received	Avg. Days Until Issued	Number Received	Avg. Days until Issued	Number Received	Avg. Days until Issued
Initial Business		276	52	292	66	227	60	187	82
Renewal Business		824	21	818	19	783	19	751	22
Initial Schools		19	45	18	76	13	45	10	123
Renewal Schools		57	25	58	22	75	10	59	24
Initial Registration		9,739	40	5,901	53	5,809	46	5,233	70
Renewal Registration		13,373	18	10,371	13	8,941	16	8,336	17
Firearms Endorsement		5,905	17	0	0	0	0	0	0
Initial Certification		Obsolete	Obsolete	7,076	29	7,257	12	6,438	20
Renewal Certification				3,373	32	3,354	11	2,705	16

Over 57,000 applications were submitted to the Section in fiscal year 2004. This section processes and issues business licenses, individual registrations, firearms endorsements and school certifications. There are approximately 1375 licensed businesses and 115 certified schools. Over 30,000 individuals are registered in one or more of the following categories: Security Officer/Courier both armed and unarmed, Private Investigator; Electronic Security; Personal Protection Specialist; Armored Car Personnel and Security Canine Handling.

FINGERPRINT APPLICATIONS				
Fingerprint Cards	2003-2004	2002-2003	2001-2002	2000-2001
Fingerprint Applications Received	17,539	14,258	8704	7,212
Issued (Approved)	15,491 (88.3%)	11,405 (79.9%)	8095 (93%)	6,639 (92%)
Denied	214 (1.2%)	168 (1.1%)	125 (1.4%)	193 (2.6%)
Other (canceled, unclassifiable, etc.)	691 (4%)	780 (5.4%)	280 (3.2%)	206 (2.8%)
In Process	1,143 (6.5%)	1,905 (13.3%)	204 (2.3%)	174 (2.4%)
Sent To State Police	17,418	14,011	8,585	7,474
Received back from SP	17,151 (27 days)	13,028 (37 days)	8,531 (25 days)	7,171 (36 days)
Received back from FBI	17,128 (28 days)	12,621 (40 days)	8,569 (29 days)	7,303 (49 days)

The average processing time for the 15,491 fingerprint cards completed was 33 days. This is nearly two weeks faster turnaround on fingerprint processing than last fiscal year at 45 days. This number will continue to improve now that we are scanning the fingerprints directly to the State Police.

STATISTICAL SUMMARY					
Active Applications (Fiscal year)	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Certifications (UA/UR)	16,637	24,536	24,581	23,034	22,177
Registrations (RA/RR)	24,174	18,711	17,229	15,925	14,824
Armed	9,773				
Unarmed	14,401				
Special Conservators of the Peace	41	N/A	N/A	N/A	N/A
Compliance Agents	2,020	1,885	1,731	1,440	1,152
Instructors	533	497	491	536	503
Businesses	1,484	1,457	1,386	1,277	1,231
Schools	115	109	112	112	115

The certifications will continue to decrease as they merge into registrations at renewal. We have received a total of 139 Special Conservator of the Peace applications and issued 41 during this fiscal year. Next year we will have two additional regulatory programs, bail bondsmen in May 2005 and bail recovery agents in October 2005.

TRAINING						
<i>During FY 2004—Training sessions offered and individuals trained:</i>						
	2003-2004		2002-2003		2001-2002	
Training Class	Sessions	Individuals Trained	Sessions	Individuals Trained	Sessions	Individuals Trained
12E Compliance Agent Entry Level	12	422	15	402	13	287
12I Compliance Agent In-Service	23	651	17	662	17	594
13E General Instructor Entry Level	3	32	7	31	4	44
13I General Instructor In-Service	6	119	6	113	4	32
14E Firearms Instructor Entry-Level	0	0	1	17	0	0
14I Firearms Instructor In-Service	4	46	6	54	4	15
60E Technical Assistance Training	0	0	1	1	1	4

Each registrant is required to meet minimum training standards and this can be accomplished by instruction received from a certified private security training school. The instructors who provide the training are certified as a general instructor and/or firearms instructor by this department. The Private Security Services Section offers General Instructor and Firearms Instructor entry level and in-service training. Compliance Agent entry level and in-service training is also provided monthly. Compliance Agents are individuals designated by private security businesses and trained by DCJS to ensure the business and employees are in compliance with Virginia Code and Regulations. There are over 2000 active compliance agents and over 400 certified instructors. We have recently starting accepting on-line training for Compliance Agent Entry-Level and In-Service, as well as General Instructor In-Service training that have been approved by DCJS.

TRAINING APPLICATIONS ISSUED									
	2003-2004			2002-2003			2001-2002		
Applications	New	Renewal	Total	New	Renewal	Total	New	Renewal	Total
Compliance Agent	387	607	994	363	654	1,017	287	576	863
Training Schools	16	56	72	12	52	64	13	75	88
General Instructors	67	132	199	68	68	136	79	27	106
Firearms Instructors	0	28	28	29	31	60	21	14	35

Average number of days applications processed based upon applications received during FY 2004:

	2003-2004		2002-2003		2001-2002	
Training Section Applications	# Received	Avg. Days until Issued	# Received	Avg. Days until Issued	# Received	Avg. Days until Issued
Waiver	509	16	288	15	285	10
Electronic Roster	44	17	31	9	37	8
Compliance Agent-E	446	36	403	51	366	29
Compliance Agent-IS	698	53	664	44	553	47

There was a 45% increase on Waiver Applications received and reviewed, mainly due to new regulatory requirement for Special Conservators of the Peace.

CASE STATISTICS FOR FY 2004:

We received 315 cases during FY 2004. We assigned 288 cases for investigation. The remaining 27 cases were processed into our off-line complaint tracking system. We closed 264 cases during this time period. The following is a comparison of the last five years.

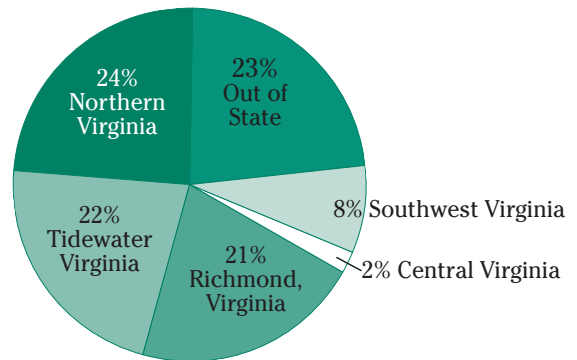
FISCAL YEAR CASE STATISTICS								
Fiscal Year	Cases Opened	Cases Closed	Completed by investigators	Founded	Unfounded	Deferred	Undetermined	Compliance Obtained
FY 2000	225	183	221	87	96	0	0	0
FY 2001	219	186	233	88	91	2	5	0
FY 2002	287	369	286	228	105	9	5	22
FY 2003	240	210	215	89	82	10	19	10
FY 2004	288	264	261	165	57	4	17	21

The enforcement section investigates allegations of violations of the *Code of Virginia* or Regulations governing private security services. The majority of complaints involve unlicensed or unregistered activity. There are three investigators who cover the entire state. In addition to conducting investigations, the investigators also conduct training and compliance inspections. Each investigator handles a caseload of approximately 40 active investigations each month. The founded cases are handled through consent order which is the first step of the adjudication process. If not resolved through consent order, an informal fact finding conference may be held. If not resolved through conference a formal hearing will be offered.

CASES OPENED

Regions

Twenty-four percent of the cases investigated came from the Northern Virginia region of the state; 23% from out of state; 22% from Tidewater; 21% from Richmond; 8% from Southwest Virginia; and, 2% from Central Virginia.



NATURE OF INVESTIGATION: (Cases Opened)

	Number 2004	% of Total 2004	Number 2003	% of Total 2003	Number 2002	% of Total 2002
Unlicensed Activity	63	22%	70	29%	76	27%
Criminal Activity	35	12%	31	13%	35	12%
Unregistered Activity	42	15%	14	7%	29	10%
Application Denial	29	10%	26	11%	28	10%
Administrative Issues	40	14%	25	10%	54	19%
Uncertified Activity	1	0%	3	1%	27	9%
Misrepresentation	3	1%	5	2%	11	4%
Endangerment	5	2%	21	9%	10	3%
Unethical	6	2%	3	1%	0	0%
Training Issues	1	0%	2	1%	1	1%
Firearm Discharge	12	4%	12	5%	6	2%
Fraud	5	2%	8	3%	10	3%
No Compliance Agent	46	16%	20	8%	N/A	N/A
TOTAL	288	100%	240	100%	287	100%

Of the 264 cases closed by enforcement, 63% were founded cases, which is a substantial increase from previous years. Unlicensed Activity (including unregistered and uncertified) comprises 37% of our cases.

Business Audits	School Audits	Ratified Consent Orders (Calendar Year)
FY 07/01/1999 – 06/30/2000 – 63	FY 07/01/1999 – 06/30/2000 – 9	01/01/1999 – 12/31/1999 – 107
FY 07/01/2000 – 06/30/2001 – 202	FY 07/01/2000 – 06/30/2001 – 70	01/01/2000 – 12/31/2000 – 133
FY 07/01/2001 – 06/30/2002 – 194	FY 07/01/2001 – 06/30/2002 – 62	01/01/2001 – 12/31/2001 – 129
FY 07/01/2002 – 06/30/2003 – 18	FY 07/01/2002 – 06/30/2003 – 19	01/01/2002 – 12/31/2002 – 137
FY 07/01/2003 – 06/30/2004 – 70	FY 07/01/2003 – 06/30/2004 – 7	07/01/2003 – 06/30/2004 – 89*

*converted to Fiscal Year for 2004

During the last fiscal year we collected \$59,163 that went into the State's Literary Fund.

FINANCE SECTION					
Payment Received Summary & Expenditures	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Total Revenue Received	2,356,059.00	1,874,557.46	1,713,164.57	1,563,484.48	1,659,272.47
Total Returned	208,616.32	270,578.00	174,580.53	159,622.76	220,793.37
Total Distributed	2,147,442.68	1,603,979.46	1,538,584.04	1,403,861.72	1,438,479.10
Total Expenditures	2,025,763.41	1,388,258.49	1,556,952.52	1,705,096.20	1,411,783.92

This year we increased our expenditures by approximately \$637,505, primarily due to filling some of the vacant positions, expenses incurred with the start up of the Special Conservator of the Peace regulatory program and the \$255,000 transferred from the Private Security Regulatory Fund into the Commonwealth's General Fund in accordance with the Commonwealth's budget reduction plan.

CUSTOMER SERVICE					
	Offered Calls	Answered Calls	Monthly Average Calls Offered	Monthly Average Calls Answered	Percentage Answered
2002-2003	32,278	27,678	2,690	2,307	86%
2003-2004	54,713	31,447	4,559	2,621	61%

We received 22,000 more calls in 2004; averaging 4,559 calls per month with only two customer service representatives to handle these calls. Additionally, we had 2,450 walk-in customers served by the two customer service representatives.

2003-2004 Initiatives

Hanover County & Private Security

Hanover County Sheriff's Department recognizes Private Security in their homeland security effort. Hanover has invited private security businesses to participate in their City Watch Program, this is an automated telephone notification system that disseminates emergency and homeland security threat level information. Hanover is the first county in Virginia to include private security in their Commonwealth Security Preparedness Plan. We feel that many localities will follow Hanover in this effort. Hats off to Hanover County for their progressive and positive initiative.

Homeland Security

In April of 2003, a northern Virginia Private Security Business initiated the first of several meetings with private security industry executives. Ms. Wakefield, Mr. Fortner, Mr. Baker and Chief Hahn were in attendance as well as Former Lt. Governor Hager, George Forseman and Former Colonel Wayne Huggins.

The meeting was initiated to discuss:

- the role of the private security industry as it relates to preparing for and responding to a terrorist event;
- the concern that the private security industry has not been adequately considered in the discussion and planning that has taken place on both the state and national level; and
- the USA Today article of January 23rd, entitled, *Private Security Guards Homeland Defense's Weakest Link*, which was quite disturbing based on the inaccurate portrayal of the Private Security industry.

A dialogue ensued regarding the role and responsibilities of the private security industry and the assets that the industry can provide to enhance Virginia's posture in homeland security. It was an informative exchange for all involved. Former Lt. Governor Hager and Mr. Forseman seemed impressed with the size of the industry and quickly saw the benefit of adding additional eyes and ears to Virginia's domestic preparedness plan.

They encouraged us to continue to meet and develop initiatives to bring forward to the Secure Virginia Panel. We attended several meetings, developed and proposed a number of initiatives to the sub-panel and later the full panel. The Secure Virginia Panel approved two of the initiatives on October 31, 2003.

The first recommendation was that DCJS promulgate private security orientation for Virginia police officers through a two-hour familiarization block. We feel that this training would be mutually beneficial to both law enforcement and private security. It would prepare our law enforcement officers to conduct their assignments more efficiently when dealing with private security issues. We should also encourage law enforcement to utilize private security personnel for additional sources of information. We believe that this educational effort will improve the overall understanding of the private security field and help to enhance the relationship between law enforcement and private security. Thereby, improving public safety for our citizens of the Commonwealth.

The second recommendation was for a homeland security initiative to be created so that the private security sector is given two-way access to information. Licensed private security businesses would have access to homeland security threat level information, public safety information, criminal alerts and other noteworthy information that might impact their activities. The full panel added two amendments to this recommendation; the designated individual obtaining access must be a certified compliance agent for a licensed private security company and have completed a one-day training program. It was also noted that access to the system would be restricted to this one individual and would not include access to the criminal information databases.

This initiative expands law enforcement resources by the following: Currently the size of Virginia's sworn law enforcement is 17,704; the contract private security industry is approximately 35,000. Law Enforcement could multiply their resources by utilizing the private security industry. This initiative recognizes and increases Private Security awareness and encourages and enhances interaction between law enforcement and private security.

The exciting news is private security has been recognized as a fundamental player in the Commonwealth Preparedness Plan. Chief Hahn has always said, "private security is not homeland security's weakest link" (contrary to the *USA Today* report–January 2003) but that it is the "Missing Link." Our hope is that others will continue to realize this and that this trend will continue to multiply. This initiative would make Virginia the first state that recognizes the strength and the assets that private security provides to enhance public safety and the first to include Private Security in our Homeland Security and Commonwealth Preparedness Plan.

Fingerprint Scanning

The Private Security Services Section began scanning fingerprint cards in November of 2003 with the help of the Cross Match Live Scan Management Software System. Live Scan provides for the electronic capture and transmission of applicant data and fingerprints to the Central Criminal Records Exchange (CCRE) at Virginia State Police. This data both checks and updates Virginia's Criminal History (CCH) and Automated Fingerprint Identification Systems (AFIS) in an automated manner. Initial response is normally within five minutes. If a criminal history record is present, results will then be received within 2-3 weeks. Using this system has greatly reduced the turn around time and we expect that trend to continue.

Decal Project

Effective July 1, 2004, the department began issuing a renewal decal to be placed on the photo identification card. We have always been proud of the Private Security Services Photo Identification cards and the original DMV arrangement, however, due to budget constraints, and DMV fee increases, the decision was made to institute the decal project. We have received positive feedback and support from the industry. We will continue to issue initial registrations letters to be taken to DMV for issuance of photo identification cards on all initial applications. Decals will be issued for renewals only. The decals will be issued for an interim period as we are researching and evaluating other possible alternatives.

New Name—New Cycle

In order to simplify the credential requirements, the Private Security Services certification was repealed and the certification categories were redefined as registration categories. Effective November 19, 2003, registrations are being issued for a two-year period as opposed to the prior annual renewal requirement. The benefits of having a two-year registration saved the individual the annual registration fee, reduced the number of trips to DMV for the photo ID, reduced staff time for processing and coincided with in-service training requirements.

Firearms Endorsement Cards

In order to issue a two-year registration, firearms verification was removed from the registration due to the annual firearm re-certification requirements. Private Security now issues Firearms Endorsement cards that are required to be renewed annually. Individuals working in an armed capacity must carry a Private Security photo ID along with their Firearms Endorsement Card that indicates the weapon category(s) they are qualified to carry.

In the Line of Duty In Memoriam

The Private Security Services Section is pleased and honored to offer a web page to honor those fallen security officers who have lost their lives in the line of duty. The department will also have a plaque displayed in our lobby with the names of these fallen heroes. The new initiative will be unveiled during our annual Private Security Services Conference.

Website Initiatives

In an effort to better serve our constituents and to make accurate information easily accessible, we have made major changes to our website. Many will benefit from our expanded “how to apply section” on the website. Each application will have an instructional page that outlines the requirements and procedures for submittal to DCJS. We have expanded the “frequently asked questions” page on the web. This page will be broken down into categories. Each category will have its own page of questions and answers. Some of these categories will include: each individual registration

category, fingerprints, criminal history, reinstatement, training and extensions. This will provide a quick reference to clear, concise and accurate information that can be updated as needed.

Additionally, we have enhanced the Watson homepage. There is an additional section entitled “tips for successful use” that should answer most of the basic questions we receive regarding Watson. Watson allows individuals, schools and businesses to check on the status of current applications and submit new individual applications online.

We also have developed a compliance agent webpage. Individuals are recognized who made a perfect score on the entry-level compliance agent exam. The entire compliance agent resource manual and applications relevant to compliance agents are available to view or download. We have also created a new compliance agent designation and acceptance form to help alleviate confusion when nominating individuals as compliance agents. The web publication of the compliance agent resource manual is of great importance. This manual is provided in all entry-level compliance agent classes, but is now available for anyone who wishes it. The manual is designed for easy navigation of the *Code of Virginia* and the *Regulations Relating to Private Security Services*. Because it is a living document, it can be easily updated when changes occur in the Code and Regulations making it a useful resource for all compliance agents.

Internal Application Evaluation

Due to dramatic increases in the volume of applications received by Private Security, the section underwent a complete evaluation of our processing procedures to improve the proficiency of our services. The technical support team examined the step-by-step process used by our Finance Department. In tandem the two groups were able to identify potential system errors, eliminate redundant procedures and re-distribute assignments for a greater overall efficiency. The combination of this process has resulted in a significant increase in application processing rates.

On-line Training & Training Alternatives

In conjunction with two DCJS certified training schools, online training has been approved for Compliance Agent Entry Level, Compliance Agent In-Service and General Instructor In-Service. Private Investigator In-Service and Security Officer Core Subjects Entry Level training will be offered online in the very near future.

- Online training will be available to anyone who wishes to contract with the training school hosting the training. Online Compliance Agent training could be a real bonus for individuals that need the training immediately or for those that do not wish to travel. In addition it could be beneficial to other individuals that do not meet the certification requirements but wish to benefit from the training.

Private Security Services Advisory Board

The Private Security Services Advisory Board is composed of twelve members from all areas of the private security industry. The Board meets four times a year. The board members volunteer a great deal of their time and talent. They are appointed to advise the Criminal Justice Services Board on issues relating to the private security profession.

Chair

Mr. W. Brent Fortner
Private Security Business Representative

Vice Chair

Kevin S. Hodges
Armored Car Representative

Secretary

Christopher J. DiMartino
Private Investigative Representative

Members

Ms. Deborah A. Aylward
Private Investigative Representative

Deputy Chief James A. Cervera
Law Enforcement Representative

Mr. Sean D. Creamer
Private Security Business Representative

Mr. Carl J. Fisher, Sr.
Private Security Business Representative

Mr. R. Stephen Martin
Instructor Representative

Mr. Robert D. Shuster
Personal Protection Specialist Representative

Mr. Thomas H. Turner
Special Conservator of the Peace Representative

Mr. Dennis A. VanDuzee
Electronic Security Business Representative

Ms. Mary Kay Wakefield
Electronic Security Business Representative

Private Security Services Staff

Lisa Hahn, *Chief*

Burt Walker, *Assistant Chief*

Monica Cooks, *Customer Service Representative*

Ellie Culbertson, *Compliance Intake Specialist*

Claudette Ellett, *Criminal History Technician*

Timothy Haymore, *Agent Investigator*

Robert Hood, *Agent Investigator*

Candace Howard, *Customer Service Representative*

Margaret Isler, *Fiscal Specialist*

Lisa McGee, *Licensing and Registration Coordinator*

Jennifer (Jennie) McLamb, *Training Specialist*

Jannard (Jay) Nunnally, *Administrative Support*

Marilyn Reed, *Fiscal Specialist*

Veronica Reeves, *Fiscal Specialist*

P. Robbie Robertson, *Criminal History Coordinator*

Crystal Simpson, *Fiscal Specialist*

Ellen Spain, *Regulatory Programs Coordinator*

Linda Strohecker, *Customer Service Representative*

Robert F. Tortolani, *Agent Investigator*



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